

*Can note
that it is
"International" CLS as well*

30 April 1975


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INTERNATIONAL
CAUCUS of LABOR
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Goldman, DAVID
SOCL.OL. / New
Solidarity
(orig under
org ICLC)*

MEMORANDUM FOR THE RECORD

SUBJECT : Telephone Conversation with David Goldman,
International Caucus of Labor Committees,
New York, New York

1. Dave Goldman, who introduced himself as Director of Financial Intelligence of the International Caucus of Labor Committees (ICLC) called me today to get our views on the prospects for the imminent financial collapse of the West. He first described a very elaborate theory which linked the alleged inability of major Western firms to finance their operations with actions by Western governments to salvage the situation. He brought into the pot such disparate matters as U.S. policy toward NATO and the West German government's efforts to quell labor unrest. I suggested that many people in and out of government were following the international financial situation more closely than we were and that I thought he ought to talk to Treasury, the Federal Reserve, Morgan Guaranty and others, about this theory. He suggested that they were not very responsive, this was why he had called CIA, and, moreover, that we might have less of an ax to grind. I indicated no awareness that his particular theory had any support in Washington and that the common view was that automatic stabilizers and government policies would prevent such a collapse from taking place. I told him that if he had strong evidence to the contrary he should send us copies of his reports. He begged off on this one, saying that all ICLC information was published in a newspaper called the New Solidarity, to which we could subscribe for \$20 (a year, I suppose). I said that I would take this under advisement. The conversation was amicable and no commitments were made on either side.

2. Presumably Mr. Goldman got my name from Chuck Stevens, US Labor Party, who had asked us for some unclassified references and had sent us some (mostly propaganda) material.


MAURICE C. ERNST
Director
Economic Research

STAT

National Caucus of Labor Committees

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Dear MR ERNST

I would like to thank you for your technical assistance on behalf of the Labor Party Research and Development Division.

Through the work of our Division and the participation of experts in a number of fields we have initiated a widespread process of discussion and planning to develop the immediate, concrete measures necessary to prevent industrial and agricultural collapse.

In order to carry out this goal, we are setting up an International Planning and Development Commission which we invite you to participate in. This Commission, operating through Planning Committees on Food, Mass Housing, Transportation, Machinery Production, Energy, Health and Epidemic Prevention, among others, will prepare implementable plans for industrial and agricultural development on a worldwide scale. It will act as a communication network among researchers, engineers, scientists, skilled workers, employers associations, trade unions and technical institutions which are engaged in developing needed programs.

I have enclosed several articles from the twice-weekly newspaper of the Labor Party, New Solidarity, which indicate the range of R&D problems being solved. Our research informs the legislation submitted to the Congress with the backing of thousands of workers, as well as many politicians and union officials.

You will also find enclosed the brochure and newsletter of the Fusion Energy Foundation. These summarize the relationship between the immediate economic steps which must be taken and the necessity for a broad-based "crash" program for fusion power. The FEF represents the prototype of the new, authoritative policy making institutions which are now required.

We will shortly be sending you specific briefing materials on the area of your expertise and interest as well as requests for your collaboration in carrying out specific research and development tasks. We urge you to discuss this vital initiative with your colleagues and to obtain their collaboration in the effort.

We look forward to future collaboration with you in developing the only competent basis for the survival and future progress of humanity.

Sincerely yours,

Auto Industry Must Feed the World

Send us what you know. . .

The Labor Committees are developing an economic program for ending the depression. We are initiating a process by which all working people will discuss and develop program so that they can train themselves to run the economy.

Every day we delay the process of organizing working people around economic program, our future becomes more shaky — consumer shortages increase and more people get laid off.

You can help!

If you know of any way capitalism is sabotaging the production of the things we need to survive, send it in and we'll publicize it. If you know of any industrial processes or technologies that can cheapen, increase, or improve production, send it to us and we'll see the working class discusses it. We need precise information on the present state of industry, new technologies, how the quality of products has deteriorated, et.

We will assemble all this information and prepare programs for discussion by the working class. We have already published programs for fulfilling world food and fuel requirements; and we will be issuing continuous progress reports on the progress of our research and the state of the economy.

Our current state of research is sufficient to prove that we could end world starvation in two years, double fuel consumption in five and provide the entire world population with a standard of living higher than the U.S. in about a decade. But. . .

Don't play around with the future of you and your family. If we allow the economy and industry to deteriorate any further, the phony fuel and food crises may become real for years to come. Already machinery and resources are deteriorating and being destroyed. The misuse and collapse of the auto industry described above and the government's recent

destruction of a sizable portion of world helium reserves essential for developing fusion power, a vitally needed source of energy, are but two of countless examples.

Send us what you know. We'll use it to prepare the working class to run the economy and turn the depression around.

Specifically we need to know:

- The state of industries — how machinery is being misused. How more efficient planning of the production process and particularly new technologies could increase production. How the workforce is being sped up and recycled, and intelligence on layoffs and plant shut-downs.

- Bills of Materials — quantities and types of raw materials that go into all important products and machinery. Our existing sources only allow us to make crude estimations at this point.

- Capital goods — the types and capacities of all machinery used in making all important consumer products and industrial equipment.

We particularly need information on different technologies of machine tools and construction equipment, their applicability and relative productivities; capital goods and capacities for the chemical industry, communications and compute industry; information on health and medical equipment; information on food processing (particularly labor-saving technologies); and on fabricated metals. Also, we need information on the general production process in the computer and communications industry, and on advanced technologies in all fields, particularly those that are not well publicized.

Write to us and we'll discuss with you the information we need in more detail.

Send all information to: Bill of Materials Project; c/o Labor Committee; Box 1972, GPO; New York, New York 10001.

At the present time we are seeing the biggest expansion of socialist organizing since the thirties. Hundreds of thousands of workers are beginning to look to NUWRO for leadership. Unlike the thirties, we are building a movement which will take power in this country within the next two to three years. But as every working class organizer knows, you can't build a movement simply by expanding it. You have to consolidate it around organizational centers and you have to educate the organizers who will educate others. That is what socialist program is about.

The million workers who have been laid off over the past month have been told to blame oil shortages for their troubles. This is a blatant lie. Even the bourgeois press admits that the oil crisis is a hoax. What the press can't admit is the real truth. The hoax is only a cover for the Rockefeller plan to shut down American industry. We are in a worldwide depression which is much worse than the thirties. And the Rockefeller/CIA solution is the same one seized on by Hitler's capitalist backers. Reduce the world working class to a slave labor force. Make the world one vast concentration camp.

As American industry is paralyzed at the command of Energy Czar Simon, the sensuous reality of the worldwide network of production is brought home to every worker. Petroleum is withheld from truckers and deliveries of fruit, meat, and steel are coming to a halt. The failure to deliver February petroleum allotments means that gasoline is disappearing from metropolitan areas. Steel and auto slaughterhouses are already shutting down. As we map the closures we have a blueprint of how the economy works, how industries are tied together.

Right now auto is the key to our organizing drive. In Detroit alone we have over a hundred new worker organizers. As these workers lead the struggle to impeach Woodcock from the UAW and kick the CIA out of the labor movement, now are they going to consolidate the steel workers who are signing their petitions, the unemployed workers who are manning the flying squads?

What pulls this whole thing together is the common goal of an expanding, productive economy, run by the working class in its own interests. This is socialist program.

Socialist program is an organizing tool. It's not a finished plan or a technical scheme. As workers begin to plan together how they will run the economy they become the kind of human beings who can take power. A socialist movement is not built on the basis of workers pooling their demands and agreeing to support each other. As long as a worker thinks of himself as merely an auto worker, a steel worker, he is less than human. He is defined by that part of the production process with which he is directly involved. Only as he begins to think in terms of the working class as a whole, then he along with his brothers is organizing the movement which will control that process, a movement which will turn mass strike ferment into revolutionary victory.

Reconverting the Auto Industry

Look at the situation in the auto industry right now: hundreds of thousands of layoffs, idle men and equipment. Those remaining at work suffering speedup and mind-destroying self-policing schemes.

Yet from the standpoint of socialist reconstruction, the general plan outlined in last week's New Solidarity, the urgent necessity is that the human and material resources being wasted and destroyed by capitalism in this sector must be used for the solution of the massive and growing food shortage worldwide! To apply the socialist reconstruction program to the auto industry is to call for the conversion of large parts of the industry to the expanding production of tractors and farm implements.

Why is this so? First, if enough food is to be produced to overcome the urgent minimal needs of the entire world population, we know that tractor and agricultural implement production must be vastly increased. If you want more food at lower prices, then you must plan for expanded food production — putting into production the more than 100 million acres capitalism is letting lie fallow. But this means more tractors immediately. Present tractor production in the U.S. is a pitiful 600,000 a year. Our food program shows that we need about 5 million new tractors in the next two years, just to eradicate once and for all gross malnutrition worldwide. And that doesn't include the about 150 million tractors required in the first eight years following a socialist revolution to attain protein consumption levels throughout the world that are required for productive and creative human life.

All right, so we need more tractors — and more machine tools and other capital goods to produce them. Immediately, there are only two main sources for these machine tools — the aerospace-defense industry and the auto industry. The first is available for immediate conversion because of its clearly parasitic character — you can't consume a tank or a missile, or use it to make anything else — and the second is available as well, because it is bloated relative to real social need. That is, if we start immediately to produce a modern mass transit system, we won't need anywhere near as many cars as are now produced — and we'll get places faster. As a future New Solidarity article will describe, modern mass transit, based on the propulsive force of gravity and atmospheric pressure, will make it possible to travel from New York to Philadelphia in 15 minutes!

The implementation of the working-class reconstruction program within the auto industry must thus center around the pressing problem of converting part of its production to the task of making five million tractors in two years. Since advanced machine tools of the aerospace industry will mainly have to be used to expand the machine tool industry itself, in order to further the economy's capability for expansion, conversion of a portion of the auto industry is crucial. That is the task, derived from our general program. How can workers create the detailed formulations that will enable them to carry out this task starting from the first day of working class power? How can we use the process of producing such a plan to organize the mass movement necessary to take power?

The key to solving this problem is the mobilization of the cooperative creative powers of the entire working class. Rockefeller and his stooge Woodcock are trying to fragment the workers and crush their ability to think, turn them into panicked animals. We must do the opposite — to plan an economy, we have to bring together workers from many different industries and utilize their conceptual powers.

Through New Solidarity we are beginning to do this. We will put forward right now the state of programmatic development we have arrived at, and the main remaining problems which you, the organizing workers, must discuss and solve. This collective conceptual discussion process, the actual process of bringing into being from our present outward motion the unified, self-conscious class, will be disseminated through this paper and through all of our intelligence-briefing organizing network.

Solving the Problems in Auto

We have to start with what is needed to produce a tractor. A bourgeois study of a modern tractor factory outlines the following requirements for a tractor factory producing 90,000 tractors a year:

- For casting and forging the parts we need 13 furnaces and 31 core machines.
- For stamping we need 38 presses of various dimensions.
- For machining the parts we need 61 drills, 8 numerically controlled (automated) drills, 71 lathes, 25 numerically controlled lathes, 93 milling machines as well as several hundred various other types of machine tools, for a total of 527 metal cutting tools for such a plant.

Such a plant will employ a foundry staff of 1400 men, a stamping operation of 600, about 2,400 machinists and about a thousand on the assembly line.

If we are to produce 5 million tractors in two years (as a minimum), when we account for the time it will take to convert, we should aim at about 5 million tractors per year capacity from the outset. That is, we aim for expanding production, with less produced early in this period, and more later. So to obtain total needs, we have to multiply the above figures by about 50-60 times. So we need about 30,000 machine tools, about 70,000 people employed in foundry, 35,000 in stamping, 150,000 machinists and about 60,000 on the assembly line.

Now, what do we have in auto? We have a total of about 210,000 machine tools in the U.S. auto industry, so apparently we're all right. But this is partly just appearance. The capitalists have been running these machines into the ground. Major capital investment ended right after World War II: as long ago as 1939, auto capacity was as much as 80 per cent of what it is at present. More than 31 per cent of the machine tools in the auto industry are more than twenty years old. There are only 800 numerically controlled (NC) machine tools, while we will need about 1500. Evidently, auto workers will have to work out how many NC tools will be needed from the aerospace defense sector to raise productivity to modern levels, how many machine tools will be unsuitable for retooling because of age, and so on.

The situation is tight as far as labor supply is concerned — at present there are less than 60,000 machinists in the auto industry, less than 20,000 tool and die makers, while we have (before the recent layoffs) about 150,000 assembly line workers. What this means is that to man the newly enlarged, reconverted tractor industry we will not only have to draw back to work all the laid-off workers, but *we will have to massively and rapidly upgrade many workers not yet in skilled categories* — transforming assemblers into skilled machinists at a tremendous pace, as well as bringing in better educated workers from non-essential areas (such as the huge clerical staffs of government and industry) to be trained. (We will discuss next week some of what this implies for a socialist educational system.)

This also implies that auto workers, together with those in the tractor industry, will have to discuss ways in which the manpower of tractor production can be decreased. How can forging, stamping, machining become more automated? How can we reduce the number of necessary hours of work in the whole economy through improvements in technique and organization of work?

The employed auto worker, especially the assembly line worker, performs some mind-deadening repetitive

job which is hell even without speedup. Yet assembly machines and other automated types of machines are used where capitalist economics allows them. In our tractor factories, how can we improve on such automated techniques to reduce the assembly line grind to a minimum, maximizing time available for education? In addition, auto workers will have to figure out how retooling will be carried out in the fastest manner, how the plant layout should be changed to optimize true productivity (the most work with the least sweat and the least time).

Linking It Up Outside Auto

The questions which need to be answered to plan the role of present auto factories in resolving the food problems are just beginning to be answered. Auto workers alone can't possibly competently plan this. Each tractor takes about 3.3 tons of iron and steel, nearly 17 million tons per year for five million tractors. If we are to produce that much steel while we are expanding housing and machinery production, we must obviously vastly improve the productivity of steel production, if we are to not run into huge shortages of labor and if we are to reduce the working day to allow for essential education. Auto workers have to go to steel workers and say, "Look, if we are to eat, we need so many tractors, and we've figured out that this means 17 million tons of steel a year — in particular so much rolled steel, so much iron of this sort and so on (all of which should be figured out). Let's get together and see how we can produce it most efficiently, and let's organize to throw these starvation experts like Rockefeller and Woodcock out! We don't need them to organize production!"

Half of the steel in this country is still produced by obsolete methods like Bessemer and Open Hearth, which were invented nearly a century ago. Auto and steel workers, some of whom work literally side by side at complexes like River Rouge, must figure out how to rapidly convert the steel industry to more productive processes like Basic Oxygen, how to reduce the need for long hours spent next to fuming poisonous blast furnaces. Without such productivity increases such skilled labor supplies in every industry will be inevitable once expanded production is begun. Full employment and a shorter working day without speedup and with more goods mean technological innovation in every industry.

Rubber workers, together with the auto and steel workers, must figure out how to upgrade and automate the antique, labor intensive process of producing rubber and tires. The 125-year-old plants (like one of Uniroyal's) where humans imitate machines shifting tires back and forth must be abolished; workers must, together with collaborating engineers, figure out how to do this — what new machines are needed, how productive they will be.

The workers in these interrelated industries will have to devise methods of planning flows of materials to avoid wasteful bottlenecks. How much rubber will be required at each month of an expanding production schedule, how much steel, how much aluminum?

Food, Energy and Employment Now!

Of course, tractors aren't the only thing that is needed for more food production. Combines, harvesters, fertilizer and various farm implements must be produced also. As our organizing spreads beyond the proletarian layers in the factories and ghettos, auto and other organizer-workers will be talking to farmers, crushed and bankrupted with debt, forced into the cities for recycling. "Here, we're planning and organizing to take over the economy from the guys who busted you. What do you say we will need in the way of combines and harvesters for our 100 million additional acres? This is what we figured we needed for tractors and fertilizers. Is that right? Come on, let's figure out how to run this thing so we can all eat and live decently."

Auto, steel, rubber, machinery workers, unemployed, ghetto youth will be taking the message of this program to every factory and neighborhood. While Rockefeller's chaos and confusion operation attempts to spread panic and despair, man-eat-man philosophy of a collapsing economy, we will be spreading the word. "Look, this thing can be beaten. Food for all can be produced — we need jobs for these tractor factories, we are planning on modernizing the steel industry in this way. Speedup, food shortages, energy crises, layoffs, long hours are not inevitable. We're figuring this thing out, help us. Problems sure, let's get these workers over here to help us figure them out. Don't just sit there, join in."

In World War II the capitalists managed to convert the auto industry to war production in the course of a year to 18 months. The auto industry supplied 87 per cent of the bombs, 57 per cent of the tanks, 47 per cent of the machine guns. If the capitalists could convert the auto industry to manufacture the mechanisms of death, then what could possibly prevent the workers from making it produce the instruments of expanded food production, and more?

We are organizing a movement which will reverse the devastation of the world's productive forces, a movement which will not fall apart at the first temporary ebb in the mass strike movement. A movement which will come to power. We know this because this is not a movement of wage slaves, of rank-and-filers but of working people who know that they have the conceptual ability to be their own rulers.

The only thing that could possibly stop us is timidity and fear. Discuss our program for Food, Energy and Employment in every shop and ghetto in the country! **ORGANIZE LIKE HELL!**